

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION  
KANKAKEE, ILLINOIS

ILL. C. C. No. 5  
Fourth Revised Sheet No. 4  
Cancelling Second Revised Sheet No. 4

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

PRIVATE FIRE PROTECTION CHARGE

Available to customers on a separate fire service installed in accordance with the Company's Rules and Regulations on file with the Illinois Commerce Commission on the date of application for this service. This service shall be metered (meter supplied at the expense of the customer) except on a "Dry System."

MONTHLY PRIVATE FIRE PROTECTION RATE

<u>Size of Service or</u> <u>Size of Fire Meter</u>	<u>Monthly Rate</u>
Less than 3"	4.00
3"	5.00
4"	7.00
6"	13.00
8"	24.00
10"	40.00
12"	63.00
Private Hydrants	12.70

Issued: June 5, 1998

Effective: June 8, 1998

Issued By: Thomas J. Bunosky, Vice President  
1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No 5  
 Fifth Revised Sheet No. 1  
 Cancelling Fourth Revised Sheet No. 1

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
 Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

CUSTOMER CHARGES

All metered general water service customers shall pay a customer charge based on the size of meter or meters installed regardless of the amount of water used.

<u>Meter Size</u>	-----Monthly Charges-----	
	<u>Positive Displacement Meter</u>	<u>Turbine Meter</u>
5/8"	10.50	
3/4"	14.18	
1"	21.53	
1-1/2"	42.00	
2"	63.00	
3"	114.45	132.30
4"	186.90	220.50
6"	372.75	462.00
8"	593.25	664.65
10"	850.50	1071.00
12"	1312.50	

When two or more meters are installed in parallel, the customer charges will be based on one meter size larger.

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No. 5  
Sixth Revised Sheet No. 2  
Cancelling Fifth Revised Sheet No. 2

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
Aroma Park, Bourbonnais and Limestone Townships in Kankakee County,  
Illinois

WATER SERVICE

USAGE CHARGES

The following shall be the rates for water usage and are in addition to the customer charge and public fire protection charge.

Available for all residential, commercial and industrial water service (except for standby service and private fire protection). The rates are for water usage and are in addition to the customer charge and public fire protection charge.

<u>Monthly Usage, 100 Cubic Feet</u>	<u>Rates per 100 Cu. Ft.</u>
First 30	1.820
Next 470	1.301
Over 500	0.868

PUBLIC FIRE PROTECTION CHARGES

Applicable to all metered water service customers (except Sales for Resale) located in a municipality, township or fire protection district in which public fire hydrants are connected to Company's water mains.

Monthly Charge

All metered water service customers (except Sales for Resale) located in a municipality, township or fire protection district in which public fire hydrants are connected to Company's water mains shall pay a Public Fire Protection Service Charge in the amount as set forth below, such charge being in addition to the rates and charges set forth elsewhere in this tariff for regular water service.

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No. 5  
Seventh Revised Sheet No. 3  
 Cancelling Sixth Revised Sheet No. 3

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
 Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

Municipality, Township or Fire District	<u>5/8"</u>	<u>3/4"</u>	<u>1"</u>	<u>1-1/2"</u> <u>&amp; Larger</u>
City of Kankakee	1.93	2.84	4.83	9.65
Village of Bourbonnais	1.93	2.84	4.83	9.65
Village of Bradley	1.93	2.84	4.83	9.65
Kankakee Township	1.93	2.84	4.83	9.65
Bourbonnais Township	1.93	2.84	4.83	9.65
Limestone Township	1.93	2.84	4.83	9.65
<u>Manteno (IDCC)</u>	1.93	2.84	4.83	9.65

Charges to Municipalities and Fire Protection Districts Pursuant to Agreement

Applicable to municipalities and fire districts who have entered into an agreement to participate in fire protection costs.

The following are the charges contained in agreements entered into by those municipalities and fire protection districts which have agreed, pursuant to Section 9-223 of the Illinois Public Utilities Act, to contribute to the costs of providing public fire protection service.

City of Kankakee - no payment

Village of Bradley – no payment

Village of Bourbonnais - no payment.

Applies to: Kankakee, Bourbonnais, Portions of Bradley

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No. 5  
Fifth Revised Sheet No. 4  
Cancelling Fourth Revised Sheet No. 4

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

PRIVATE FIRE PROTECTION CHARGE

Available to customers on a separate fire service installed in accordance with the Company's Rules and Regulations on file with the Illinois Commerce Commission on the date of application for this service. This service shall be metered (meter supplied at the expense of the customer) except on a "Dry System."

MONTHLY PRIVATE FIRE PROTECTION RATE

<u>Size of Service or Size of Fire Meter</u>	<u>Monthly Rate</u>
3 Inch and Less	5.14
4 Inch	9.13
6 Inch	20.54
8 Inch	36.53
10 Inch	57.07
12 Inch	82.19
Private Hydrants	12.70

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C.C. No. 5  
Original Sheet No. 17

### INFRASTRUCTURE SYSTEM IMPROVEMENT CHARGE ("ISIC")

#### Applies to

City of Kankakee, Village of Bourbonnais, Village of Bradley, Village of Aroma Park and Portions of Kankakee, Aroma, Bourbonnais, Manteno and Limestone Townships in Kankakee County, Illinois ("Kankakee Division")

#### Purpose

The purpose of the Infrastructure System Improvement Charge ("ISIC") is to recover the return on and depreciation expense related to certain non-revenue producing plant infrastructure improvements. The ISIC is authorized by Section 9-220.2 of the Illinois Public Utilities Act (220 ILCS 5/9-220.2.) The ISIC applies only to qualifying non-revenue-producing plant ("QNRP") (as defined below under "Terms and Conditions") which has not yet been included in rate base in a rate case test year.

#### Applicable Rate Charges

The ISIC shall be applicable to all charges for Customers served under the Customer Charges, Usage Charges, Public Fire Protection Charges, Private Fire Protection Charges, Municipal Tax Addition Charges, Gross Revenue Tax Charges, and Standby Water Service Charges of the Company's Kankakee Division ("Division") Water Service Tariff.

#### Effectiveness

The ISIC shall become effective for service provided on and after the first day of the month following the month in which a ISIC Percentage Information Sheet is filed with the Commission pursuant to the "Terms and Conditions" set forth below.

#### Application of ISIC

The ISIC will be shown as a separate line item on the bill of each Customer. For each bill, the ISIC will be calculated by multiplying the ISIC Percentage by the total amount billed to each Customer under the Company's otherwise applicable rates and charges, excluding amounts billed for late payment charges. The first ISIC Percentage will become effective for bills for service provided on and after the effective date of the ISIC, as set forth above. Thereafter, the ISIC Percentage will be revised on January 1 of each year and, if a change in the ARA component of the ISIC is required, on April 1 of the year of such change.

#### Computation of ISIC Percentage

The ISIC Percentage for each year shall be calculated using the following formula:

$$\text{ISIC Percentage} = \frac{[(AI - AAD) \times ROR] \times GRCF + ND + ARA}{PAR}$$

Where      AI      =      The Average QNRP Investment for the period January 1 of the year through the following December 31, computed as the average of the projected balances of QNRP Investment (as determined in accordance with the "Terms and Conditions" set forth below) on January 1 and the following December 31.

            AAD      =      Average Accumulated Depreciation, equal to the projected depreciation expense related to the Average QNRP Investment in excess of related retirements.

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CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C.C. No. 5  
Original Sheet No. 18

**INFRASTRUCTURE SYSTEM IMPROVEMENT CHARGE ("ISIC")**

- ROR = The overall rate of return reflecting the cost of common equity approved by the Commission in the immediately preceding rate order for the Division.
- GRCF = The gross revenue conversion factor used in the immediately preceding final rate order for the Company.
- ND = Net Depreciation expense related to the Average QNRP Investment. The depreciation expense shall be calculated by applying the depreciation rates last approved by the Commission for the respective accounts in which the specific items included in the Average QNRP Investment are recorded.
- ARA = The Annual Reconciliation Amount, as calculated in the manner described in the "Terms and Conditions" below.
- PAR = The projection of total water operating revenues for the applicable rate charges of the Division for the period January 1 through December 31.

**Terms and Conditions**

QNRP Investment shall equal that portion of the Company's projected investment in QNRP in the Division, which is not included in the rate base for the Division used to establish rates approved in the immediately preceding rate order for the Company; provided, however, that in the event that the year for which the ISIC percentage is to be calculated (the "ISIC Determination Period") pursuant to the formula set forth above overlaps all or a portion of the Future Test Year in a rate proceeding for which a final Order has been issued or is pending, Average QNRP Investment for the ISIC Determination Period shall not include any portion of the investment in QNRP which is or is expected to be included in the Future Test Year Rate Base.

QNRP shall consist of plant items or facilities (including, but not limited to, replacement mains, meters, services, and hydrants) which (i) are not reflected in the rate base used to establish the utility's base rates and (ii) are non-revenue producing. A "non-revenue producing facility" is one that is not constructed or installed for the purpose of serving a new customer.

The Annual Reconciliation Amount shall be equal to the difference between the actual revenues recovered through the ISIC and the actual amount of prudently incurred costs recoverable through the ISIC for the Reconciliation Period. The Annual Reconciliation Amount will operate to refund revenue to the customers to the extent of any over collection during the Reconciliation Period and will recover revenue from the customers to the extent of any under collection of revenue during the Reconciliation Period. Such refund or recovery (as appropriate) will take place over the 12-month period beginning on April 1 of the year following the Reconciliation Period. For each ISIC Percentage effective

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**INFRASTRUCTURE SYSTEM IMPROVEMENT CHARGE ("ISIC")**

on April 1, the Reconciliation Period shall be the twelve month period ending on the prior December 31 (or, if the ISIC was not in effect for that entire twelve month period, the months of that period during which the ISIC was in effect).

For any twelve month period ending on December 31 in which (i) the ISIC has been in effect and (ii) the Company's realized rate of return on rate base exceeds the most recently authorized rate of return, ISIC revenues collected during that twelve month period will be reflected as a credit in the calculation of the ARA included in the calculation of the ISIC Percentage to become effective on the following April 1 to the extent that such revenue contributed to the realization of a rate of return above the authorized level.

The ISIC Percentage to be applied each year shall be shown on an Information Sheet and filed with the Commission not later than December 15 of the year immediately preceding the year for which the ISIC Percentage is to become effective. Not later than March 15 of each year, an Information Sheet will be filed to reflect the revised ARA component of the ISIC, which is to become effective on April 1 of each year (if applicable). The Information Sheet shall be accompanied by backup data showing the calculation of the ISIC Percentage. Unless otherwise ordered by the Commission, each ISIC Percentage shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated in the Information Sheet.

On March 1 of each year, the Company will submit to the Commission an Annual Report regarding the results of the previous Reconciliation Period. Within six months of receipt of the Annual Report, the Commission may, by order, initiate a proceeding to review the results of the previous Reconciliation Period. If the Commission finds, after hearing, that any amounts were improperly recovered through the ISIC during the Reconciliation Period, the Commission may, to the extent that the correction has not already been reflected in the calculation of the ARA included in the calculation of the ISIC, by order require that the ARA be appropriately adjusted. Any such adjustment made by order of the Commission shall be included in the ARA adjustment and be in effect for twelve months, beginning on the next April 1 following the Commission's determination.

In the event that the operation of ISIC is discontinued, a determination of refunds or additional charges, if any, due to or from Customers for the period during which the ISIC was in effect will be made. Such refund or additional charge shall equal the amount by which revenues collected under the ISIC through the date of its discontinuance exceed or fell short of the recoverable ISIC costs incurred through the same date. Such refund or additional charge will be made as a line item credit or charge on bills for water service and will be made within six months after the operation of the ISIC has been discontinued.

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CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No 5  
 Fifth Revised Sheet No. 1  
 Cancelling Fourth Revised Sheet No. 1

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
 Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

CUSTOMER CHARGES

All metered general water service customers shall pay a customer charge based on the size of meter or meters installed regardless of the amount of water used.

-----Monthly Charges-----				
<u>Meter Size</u>	<u>Positive Displacement Meter</u>		<u>Turbine Meter</u>	
5/8"	10.00	<u>10.50</u>		
3/4"	13.50	<u>14.18</u>		
1"	20.50	<u>21.53</u>		
1-1/2"	40.00	<u>42.00</u>		
2"	60.00	<u>63.00</u>		
3"	109.00	<u>114.45</u>	126.00	<u>132.30</u>
4"	178.00	<u>186.90</u>	210.00	<u>220.50</u>
6"	355.00	<u>372.75</u>	440.00	<u>462.00</u>
8"	565.00	<u>593.25</u>	633.00	<u>664.65</u>
10"	810.00	<u>850.50</u>	1020.00	<u>1071.00</u>
12"	1200.00	<u>1312.50</u>		

When two or more meters are installed in parallel, the customer charges will be based on one meter size larger.

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CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No. 5  
Sixth Revised Sheet No. 2  
 Cancelling Fifth Revised Sheet No. 2

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
 Aroma Park, Bourbonnais and Limestone Townships in Kankakee County,  
 Illinois

WATER SERVICE

USAGE CHARGES

The following shall be the rates for water usage and are in addition to the customer charge and public fire protection charge.

Available for all residential, commercial and industrial water service (except for standby service and private fire protection). The rates are for water usage and are in addition to the customer charge and public fire protection charge.

<u>Monthly Usage, 100 Cubic Feet</u>	<u>Rates per 100 Cu. Ft.</u>	
First 30	<del>1.421</del>	<u>1.820</u>
Next 470	<del>0.866</del>	<u>1.301</u>
Over 500	<del>0.750</del>	<u>0.868</u>

PUBLIC FIRE PROTECTION CHARGES

Applicable to all metered water service customers (except Sales for Resale) located in a municipality, township or fire protection district in which public fire hydrants are connected to Company's water mains.

Monthly Charge

All metered water service customers (except Sales for Resale) located in a municipality, township or fire protection district in which public fire hydrants are connected to Company's water mains shall pay a Public Fire Protection Service Charge in the amount as set forth below, such charge being in addition to the rates and charges set forth elsewhere in this tariff for regular water service.

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No. 5  
Seventh Revised Sheet No. 3  
 Cancelling Sixth Revised Sheet No. 3

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
 Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

Municipality, Township or Fire District	<u>5/8"</u>	<u>3/4"</u>	<u>1"</u>	<u>1-1/2"</u> <u>&amp; Larger</u>
City of Kankakee	<del>1.59</del> <u>1.93</u>	<del>2.39</del> <u>2.84</u>	<del>3.98</del> <u>4.83</u>	<del>7.95</del> <u>9.65</u>
Village of Bourbonnais	<del>2.00</del> <u>1.93</u>	<del>3.00</del> <u>2.84</u>	<del>5.00</del> <u>4.83</u>	<del>10.00</del> <u>9.65</u>
Village of Bradley	<del>0.23</del> <u>1.93</u>	<del>0.35</del> <u>2.84</u>	<del>0.58</del> <u>4.83</u>	<del>1.15</del> <u>9.65</u>
Kankakee Township	<del>5.47</del> <u>1.93</u>	<del>8.21</del> <u>2.84</u>	<del>13.68</del> <u>4.83</u>	<del>27.35</del> <u>9.65</u>
Bourbonnais Township	<del>4.06</del> <u>1.93</u>	<del>1.59</del> <u>2.84</u>	<del>2.66</del> <u>4.83</u>	<del>5.30</del> <u>9.65</u>
Limestone Township	<del>2.33</del> <u>1.93</u>	<del>3.50</del> <u>2.84</u>	<del>5.83</del> <u>4.83</u>	<del>11.65</del> <u>9.65</u>
Manteno (IDCC)	<del>2.92</del> <u>1.93</u>	<del>4.38</del> <u>2.84</u>	<del>7.30</del> <u>4.83</u>	<del>14.60</del> <u>9.65</u>

Charges to Municipalities and Fire Protection Districts Pursuant to Agreement

Applicable to municipalities and fire districts who have entered into an agreement to participate in fire protection costs.

The following are the charges contained in agreements entered into by those municipalities and fire protection districts which have agreed, pursuant to Section 9-223 of the Illinois Public Utilities Act, to contribute to the costs of providing public fire protection service.

City of Kankakee - no payment

Village of Bradley – ~~\$22,253/yr. For 152 hydrants plus \$150/yr. for each additional hydrant.~~ no payment.

Village of Bourbonnais - no payment.

Applies to: Kankakee, Bourbonnais, Portions of Bradley

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C. C. No. 5  
Fifth Revised Sheet No. 4  
Cancelling Fourth Revised Sheet No. 4

Applies To: Kankakee, Bourbonnais, Portions of Bradley and other Portions of Kankakee,  
Aroma Park, Bourbonnais and Limestone Townships in Kankakee County, Illinois

WATER SERVICE

PRIVATE FIRE PROTECTION CHARGE

Available to customers on a separate fire service installed in accordance with the Company's Rules and Regulations on file with the Illinois Commerce Commission on the date of application for this service. This service shall be metered (meter supplied at the expense of the customer) except on a "Dry System."

MONTHLY PRIVATE FIRE PROTECTION RATE

Size of Service or Size of Fire Meter	Monthly	
Less than 3 Inch	4.00	<u>5.14</u>
3 Inch and Less	5.00	<u>5.14</u>
4 Inch	7.00	<u>9.13</u>
6 Inch	13.00	<u>20.54</u>
8 Inch	24.00	<u>36.53</u>
10 Inch	40.00	<u>57.07</u>
12 Inch	63.00	<u>82.19</u>
Private Hydrants	12.70	<u>12.70</u>

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1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C.C. No. 5  
Original Sheet No. 17

### INFRASTRUCTURE SYSTEM IMPROVEMENT CHARGE ("ISIC")

#### Applies to

City of Kankakee, Village of Bourbonnais, Village of Bradley, Village of Aroma Park and Portions of Kankakee, Aroma, Bourbonnais, Manteno and Limestone Townships in Kankakee County, Illinois ("Kankakee Division")

#### Purpose

The purpose of the Infrastructure System Improvement Charge ("ISIC") is to recover the return on and depreciation expense related to certain non-revenue producing plant infrastructure improvements. The ISIC is authorized by Section 9-220.2 of the Illinois Public Utilities Act (220 ILCS 5/9-220.2.) The ISIC applies only to qualifying non-revenue-producing plant ("QNRP") (as defined below under "Terms and Conditions") which has not yet been included in rate base in a rate case test year.

#### Applicable Rate Charges

The ISIC shall be applicable to all charges for Customers served under the Customer Charges, Usage Charges, Public Fire Protection Charges, Private Fire Protection Charges, Municipal Tax Addition Charges, Gross Revenue Tax Charges, and Standby Water Service Charges of the Company's Kankakee Division ("Division") Water Service Tariff.

#### Effectiveness

The ISIC shall become effective for service provided on and after the first day of the month following the month in which a ISIC Percentage Information Sheet is filed with the Commission pursuant to the "Terms and Conditions" set forth below.

#### Application of ISIC

The ISIC will be shown as a separate line item on the bill of each Customer. For each bill, the ISIC will be calculated by multiplying the ISIC Percentage by the total amount billed to each Customer under the Company's otherwise applicable rates and charges, excluding amounts billed for late payment charges. The first ISIC Percentage will become effective for bills for service provided on and after the effective date of the ISIC, as set forth above. Thereafter, the ISIC Percentage will be revised on January 1 of each year and, if a change in the ARA component of the ISIC is required, on April 1 of the year of such change.

#### Computation of ISIC Percentage

The ISIC Percentage for each year shall be calculated using the following formula:

$$\text{ISIC Percentage} = \frac{[(AI - AAD) \times ROR] \times GRCF + ND + ARA}{PAR}$$

Where AI = The Average QNRP Investment for the period January 1 of the year through the following December 31, computed as the average of the projected balances of QNRP Investment (as determined in accordance with the "Terms and Conditions" set forth below) on January 1 and the following December 31.

AAD = Average Accumulated Depreciation, equal to the projected depreciation expense related to the Average QNRP Investment in excess of related retirements.

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CONSUMERS ILLINOIS WATER COMPANY  
KANKAKEE DIVISION

ILL. C.C. No. 5  
Original Sheet No. 18

**INFRASTRUCTURE SYSTEM IMPROVEMENT CHARGE ("ISIC")**

- ROR = The overall rate of return reflecting the cost of common equity approved by the Commission in the immediately preceding rate order for the Division.
- GRCF = The gross revenue conversion factor used in the immediately preceding final rate order for the Company.
- ND = Net Depreciation expense related to the Average QNRP Investment. The depreciation expense shall be calculated by applying the depreciation rates last approved by the Commission for the respective accounts in which the specific items included in the Average QNRP Investment are recorded.
- ARA = The Annual Reconciliation Amount, as calculated in the manner described in the "Terms and Conditions" below.
- PAR = The projection of total water operating revenues for the applicable rate charges of the Division for the period January 1 through December 31.

**Terms and Conditions**

QNRP Investment shall equal that portion of the Company's projected investment in QNRP in the Division, which is not included in the rate base for the Division used to establish rates approved in the immediately preceding rate order for the Company; provided, however, that in the event that the year for which the ISIC percentage is to be calculated (the "ISIC Determination Period") pursuant to the formula set forth above overlaps all or a portion of the Future Test Year in a rate proceeding for which a final Order has been issued or is pending, Average QNRP Investment for the ISIC Determination Period shall not include any portion of the investment in QNRP which is or is expected to be included in the Future Test Year Rate Base.

QNRP shall consist of plant items or facilities (including, but not limited to, replacement mains, meters, services, and hydrants) which (i) are not reflected in the rate base used to establish the utility's base rates and (ii) are non-revenue producing. A "non-revenue producing facility" is one that is not constructed or installed for the purpose of serving a new customer.

The Annual Reconciliation Amount shall be equal to the difference between the actual revenues recovered through the ISIC and the actual amount of prudently incurred costs recoverable through the ISIC for the Reconciliation Period. The Annual Reconciliation Amount will operate to refund revenue to the customers to the extent of any over collection during the Reconciliation Period and will recover revenue from the customers to the extent of any under collection of revenue during the Reconciliation Period. Such refund or recovery (as appropriate) will take place over the 12-month period beginning on April 1 of the year following the Reconciliation Period. For each ISIC Percentage effective

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1000 S. Schuyler Ave., Kankakee, IL 60901

INFRASTRUCTURE SYSTEM IMPROVEMENT CHARGE ("ISIC")

on April 1, the Reconciliation Period shall be the twelve month period ending on the prior December 31 (or, if the ISIC was not in effect for that entire twelve month period, the months of that period during which the ISIC was in effect).

For any twelve month period ending on December 31 in which (i) the ISIC has been in effect and (ii) the Company's realized rate of return on rate base exceeds the most recently authorized rate of return, ISIC revenues collected during that twelve month period will be reflected as a credit in the calculation of the ARA included in the calculation of the ISIC Percentage to become effective on the following April 1 to the extent that such revenue contributed to the realization of a rate of return above the authorized level.

The ISIC Percentage to be applied each year shall be shown on an Information Sheet and filed with the Commission not later than December 15 of the year immediately preceding the year for which the ISIC Percentage is to become effective. Not later than March 15 of each year, an Information Sheet will be filed to reflect the revised ARA component of the ISIC, which is to become effective on April 1 of each year (if applicable). The Information Sheet shall be accompanied by backup data showing the calculation of the ISIC Percentage. Unless otherwise ordered by the Commission, each ISIC Percentage shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated in the Information Sheet.

On March 1 of each year, the Company will submit to the Commission an Annual Report regarding the results of the previous Reconciliation Period. Within six months of receipt of the Annual Report, the Commission may, by order, initiate a proceeding to review the results of the previous Reconciliation Period. If the Commission finds, after hearing, that any amounts were improperly recovered through the ISIC during the Reconciliation Period, the Commission may, to the extent that the correction has not already been reflected in the calculation of the ARA included in the calculation of the ISIC, by order require that the ARA be appropriately adjusted. Any such adjustment made by order of the Commission shall be included in the ARA adjustment and be in effect for twelve months, beginning on the next April 1 following the Commission's determination.

In the event that the operation of ISIC is discontinued, a determination of refunds or additional charges, if any, due to or from Customers for the period during which the ISIC was in effect will be made. Such refund or additional charge shall equal the amount by which revenues collected under the ISIC through the date of its discontinuance exceed or fell short of the recoverable ISIC costs incurred through the same date. Such refund or additional charge will be made as a line item credit or charge on bills for water service and will be made within six months after the operation of the ISIC has been discontinued.

**Billing Units**

Description (A)	Meter Size ("") (B)	Customer Type (C)	1999 Usage (100 CF) (D)	Pro Forma Adjustment (E)	Pro Forma Usage (100 CF) (F)	1999 No. of Bills (G)	Pro Forma Adjustment (H)	No. of Bills (I)
Customer Charges:								
		Residential						
	5/8"		1,665,832	125,134	1,790,965.8	183,253	14,328	197,581
	3/4"		52,236		52,236.0	4,981		4,981
	1"		71,062		71,062.0	3,004		3,004
	1-1/2"		10,095		10,095.0	422		422
	2"		23,726		23,726.0	352		352
	3"		5,930		5,930.0	24		24
			1,828,881	125,134	1,954,014.8	192,036	14,328	206,364
		Commercial						
	5/8"		94,623.0		94,623.0	10,528.0		10,528.0
	3/4"		4,553.0		4,553.0	368.0		368.0
	1"		114,274.0		114,274.0	3,610.0		3,610.0
	1-1/2"		59,342.0		59,342.0	903.0		903.0
	2"		253,922.0	62,485.3	316,407.3	2,216.0	543.3	2,759.3
	3"		173,628.0		173,628.0	525.0		525.0
	4"		81,267.0		81,267.0	143.0		143.0
	6"		48,792.0		48,792.0	36.0		36.0
	8"		197,798.0		197,798.0	24.0		24.0
			1,028,199.0	62,485.3	1,090,684.3	18,353.0	543.3	18,896.3
		Industrial						
	5/8"		661.0		661.0	106.0		106.0
	3/4"		-		-	-		-
	1"		1,647.0		1,647.0	72.0		72.0
	1-1/2"		13,503.0		13,503.0	84.0		84.0
	2"		36,693.0		36,693.0	142.0		142.0
	3"		95,576.0		95,576.0	156.0		156.0
	4"		57,320.0		57,320.0	36.0		36.0
	6"		611,871.0	56,593.0	668,464.0	83.0	12.0	95.0
	8"		684,091.0		684,091.0	36.0		36.0
			1,501,362.0	56,593.0	1,557,955.0	715.0	12.0	727.0
		Sale for Resale						
	4"		40,450.0	12,864.0	27,586.0	10.0		10.0
	6"		70,000.0		70,000.0	12.0		12.0
	8"		212,403.0	200,134.0	12,269.0	11.0		11.0
			322,853.0	212,998.0	109,855.0	33.0	-	33.0
			4,681,295.0	31,214.1	4,712,509.1	211,137.0	14,883.3	226,020.3



### Jurisdictional Operating Revenue

Description (A)	Meter Size (") (B)	1999 Revenue (C)	Customer Type (D)	1999 Usage (100 CF) (E)	Pro Forma Adjustment (F)	Pro Forma Usage (100 CF) (G)	Pro Forma No. of Bills (H)	Present Rates (I)	Pro Forma Present Revenues (J)	Proposed Rates (K)	Pro Forma Proposed Revenue (L)
Customer Charges:											
			Residential								
Monthly	5/8"	1,832,530		1,665,832.0	125,133.8	1,790,966	197,581	10	1,975,810	10,500	2,074,601
	3/4"	67,244		52,236.0		52,236	4,981	14	67,244	14,175	70,606
	1"	61,582		71,062.0		71,062	3,004	21	61,582	21,525	64,661
	1-1/2"	16,880		10,095.0		10,095	422	40	16,880	42,000	17,724
	2"	21,120		23,726.0		23,726	352	60	21,120	63,000	22,176
	3"	2,616		5,930.0		5,930	24	109	2,616	114,450	2,747
		2,001,972		1,828,881.0	125,134	1,954,015	206,364		2,145,252		2,252,514
			Commercial								
	5/8"	105,280		94,623.0		94,623	10,528	10	105,280	10,500	110,544
	3/4"	4,968		4,553.0		4,553	368	14	4,968	14,175	5,216
	1"	74,005		114,274.0		114,274	3,610	21	74,005	21,525	77,705
	1-1/2"	36,120		59,342.0		59,342	903	40	36,120	42,000	37,926
	2"	132,960		253,922.0	62,485	316,407	2,759	60	165,559	63,000	173,837
	3"	55,917		170,948.0		170,948	513	109	55,917	114,450	58,713
	3" Tur.	1,512		2,680.0		2,680	12	126	1,512	132,300	1,588
	4"	12,638		14,396.0		14,396	71	178	12,638	186,900	13,270
	4" Tur.	15,120		66,871.0		66,871	72	210	15,120	220,500	15,876
	6"	8,520		32,192.0		32,192	24	355	8,520	372,750	8,946
	6" Tur.	5,280		16,600.0		16,600	12	440	5,280	462,000	5,544
	8"	6,780		37,998.0		37,998	12	565	6,780	593,250	7,119
	8" Tur.	7,596		159,800.0		159,800	12	633	7,596	664,650	7,976
		466,696		1,028,199.0	62,485	1,090,684	18,896		499,295		524,260
			Industrial								
	5/8"	1,060		661.0		661	106	10	1,060	10,500	1,113
	3/4"	-		-		-	-	14	-	14,175	-
	1"	1,476		1,647.0		1,647	72	21	1,476	21,525	1,550
	1-1/2"	3,360		13,503.0		13,503	84	40	3,360	42,000	3,528
	2"	8,520		36,693.0		36,693	142	60	8,520	63,000	8,946
3987	3"	15,696		95,551.0		95,551	144	109	15,696	114,450	16,481
	25 3" Tur.	1,512		25.0		25	12	126	1,512	132,300	1,588
	36 4"	6,408		57,320.0		57,320	36	178	6,408	186,900	6,728
690	6"	12,425		16,530.0		16,530	35	355	12,425	372,750	13,046
720	6" Tur.	21,120		595,341.0	56,593	651,934	60	440	26,400	462,000	27,720
360	8"	6,780		263,274.0		263,274	12	565	6,780	593,250	7,119
699	8" Tur.	15,192		420,817.0		420,817	24	633	15,192	664,650	15,952
		93,549		1,501,362.0	56,593	1,557,955	727		98,829		103,770

### Jurisdictional Operating Revenue

Description (A)	Meter Size (" ) (B)	1999 Revenue (C)	Customer Type (D)	1999 Usage (100 CF) (E)	Pro Forma Adjustment (F)	Pro Forma Usage (100 CF) (G)	Pro Forma No. of Bills (H)	Present Rates (I)	Pro Forma Present Revenues (J)	Proposed Rates (K)	Pro Forma Proposed Revenue (L)
Customer Charges:											
Sale for Resale											
	4" Tur.	2100		40,450.0	-12864	27586	10	210	2,100	220.500	2,205
	6" Tur.	5280		70,000.0		70000	12	440	5,280	462.000	5,544
	8" Tur.	6963		212,403.0	-200134	12269	11	633	6,963	664.650	7,311
		14343		322,853.0	-212998	109855	33		14,343		15,060
Total Customer Charges		2576559.5		4,681,295.0	31214.06	4712509.06	226,020		2,757,719		2,895,605
Consumption Charges:											
0 - 30 ( 100 Cubic Ft. )		2793690.263		1,966,003.0		2107797.52		1.421	2,995,180	1.820	3,836,191
Next 470		606655.516		700,526.0		752350.54		0.866	651,536	1.301	978,808
Over 500		1511074.5		2,014,766.0		1852361		0.75	1,389,271	0.868	1,607,849
Total Consumption		4911420.279		4,681,295.0		4712509.06			5,035,987		6,422,849
Total Metered		7487979.779							7,793,706		9,318,454
Other Revenue		693048.83							711,541		812,764
Total Revenue		8181028.609							8,505,247		10,131,217

Proposed Test Year: Future  
Period Reported: 2001

### Typical Monthly Bill Comparison

Class (A)	Consumption 100 Cubic Ft. (B)	Present Rates (C)	Proposed Rate (D)	Dollar Change (E)	% Change (F)
<b>Metered Residential &amp; Commercial</b>					
<b>5/8 Inch Metered</b>					
	0	\$11.60	\$12.44	\$0.84	7.25%
	1	\$13.02	\$14.26	\$1.24	9.52%
	2	\$14.45	\$16.09	\$1.64	11.35%
	3	\$15.87	\$17.91	\$2.04	12.85%
	4	\$17.29	\$19.73	\$2.44	14.10%
	5	\$18.71	\$21.55	\$2.84	15.16%
	6	\$20.14	\$23.37	\$3.24	16.08%
	7	\$21.56	\$25.20	\$3.64	16.87%
	8	\$22.98	\$27.02	\$4.04	17.56%
	9	\$24.40	\$28.84	\$4.44	18.18%
	10	\$25.83	\$30.66	\$4.83	18.72%
	11	\$27.25	\$32.48	\$5.23	19.21%
	12	\$28.67	\$34.30	\$5.63	19.65%
	13	\$30.09	\$36.13	\$6.03	20.05%
	14	\$31.52	\$37.95	\$6.43	20.41%
	15	\$32.94	\$39.77	\$6.83	20.74%
	16	\$34.36	\$41.59	\$7.23	21.05%
	17	\$35.78	\$43.41	\$7.63	21.32%
	18	\$37.21	\$45.24	\$8.03	21.58%
	19	\$38.63	\$47.06	\$8.43	21.82%
	20	\$40.05	\$48.88	\$8.83	22.04%
<b>Metered Residential &amp; Commercial</b>					
<b>3/4 Inch Metered</b>					
	0	\$15.91	\$17.04	\$1.13	7.11%
	1	\$17.33	\$18.86	\$1.53	8.83%
	2	\$18.75	\$20.68	\$1.93	10.29%
	3	\$20.17	\$22.50	\$2.33	11.55%
	4	\$21.60	\$24.32	\$2.73	12.64%
	5	\$23.02	\$26.15	\$3.13	13.59%
	6	\$24.44	\$27.97	\$3.53	14.43%
	7	\$25.86	\$29.79	\$3.93	15.18%
	8	\$27.29	\$31.61	\$4.33	15.86%
	9	\$28.71	\$33.43	\$4.73	16.46%
	10	\$30.13	\$35.26	\$5.13	17.01%
	11	\$31.55	\$37.08	\$5.52	17.51%
	12	\$32.97	\$38.90	\$5.92	17.96%
	13	\$34.40	\$40.72	\$6.32	18.38%
	14	\$35.82	\$42.54	\$6.72	18.77%
	15	\$37.24	\$44.36	\$7.12	19.12%
	16	\$38.66	\$46.19	\$7.52	19.45%
	17	\$40.09	\$48.01	\$7.92	19.76%
	18	\$41.51	\$49.83	\$8.32	20.04%
	19	\$42.93	\$51.65	\$8.72	20.31%
	20	\$44.35	\$53.47	\$9.12	20.56%

Proposed Test Year: Future  
Period Reported: 2001

### Typical Monthly Bill Comparison

Class (A)	Consumption 100 Cubic Ft. (B)	Present Rates (C)	Proposed Rate (D)	Dollar Change (E)	% Change (F)
<b>Metered Residential &amp; Commercial</b>					
<b>1 Inch Metered</b>					
	0	\$24.50	\$26.39	\$1.88	7.68%
	1	\$25.93	\$28.21	\$2.28	8.80%
	2	\$27.35	\$30.03	\$2.68	9.80%
	3	\$28.77	\$31.85	\$3.08	10.71%
	4	\$30.19	\$33.67	\$3.48	11.52%
	5	\$31.62	\$35.50	\$3.88	12.27%
	6	\$33.04	\$37.32	\$4.28	12.95%
	7	\$34.46	\$39.14	\$4.68	13.57%
	8	\$35.88	\$40.96	\$5.08	14.15%
	9	\$37.31	\$42.78	\$5.48	14.68%
	10	\$38.73	\$44.60	\$5.88	15.17%
	11	\$40.15	\$46.43	\$6.28	15.63%
	12	\$41.57	\$48.25	\$6.67	16.06%
	13	\$43.00	\$50.07	\$7.07	16.45%
	14	\$44.42	\$51.89	\$7.47	16.83%
	15	\$45.84	\$53.71	\$7.87	17.17%
	16	\$47.26	\$55.54	\$8.27	17.50%
	17	\$48.69	\$57.36	\$8.67	17.81%
	18	\$50.11	\$59.18	\$9.07	18.10%
	19	\$51.53	\$61.00	\$9.47	18.38%
	20	\$52.95	\$62.82	\$9.87	18.64%
<b>Metered Residential &amp; Commercial</b>					
<b>1.5 Inch Metered</b>					
	0	\$48.00	\$51.70	\$3.70	7.72%
	1	\$49.42	\$53.52	\$4.10	8.30%
	2	\$50.84	\$55.35	\$4.50	8.86%
	3	\$52.27	\$57.17	\$4.90	9.38%
	4	\$53.69	\$58.99	\$5.30	9.87%
	5	\$55.11	\$60.81	\$5.70	10.34%
	6	\$56.53	\$62.63	\$6.10	10.79%
	7	\$57.95	\$64.45	\$6.50	11.21%
	8	\$59.38	\$66.28	\$6.90	11.62%
	9	\$60.80	\$68.10	\$7.30	12.00%
	10	\$62.22	\$69.92	\$7.70	12.37%
	11	\$63.64	\$71.74	\$8.10	12.72%
	12	\$65.07	\$73.56	\$8.50	13.06%
	13	\$66.49	\$75.39	\$8.90	13.38%
	14	\$67.91	\$77.21	\$9.30	13.69%
	15	\$69.33	\$79.03	\$9.69	13.98%
	16	\$70.76	\$80.85	\$10.09	14.27%
	17	\$72.18	\$82.67	\$10.49	14.54%
	18	\$73.60	\$84.49	\$10.89	14.80%
	19	\$75.02	\$86.32	\$11.29	15.05%
	20	\$76.45	\$88.14	\$11.69	15.29%

Proposed Test Year: Future  
Period Reported: 2001

## Typical Monthly Bill Comparison

Class (A)	Consumption 100 Cubic Ft. (B)	Present Rates (C)	Proposed Rate (D)	Dollar Change (E)	% Change (F)
<b>Metered Residential &amp; Commercial</b>					
<b>2 Inch Metered</b>					
	0	\$68.02	\$72.72	\$4.70	6.92%
	1	\$69.44	\$74.54	\$5.10	7.35%
	2	\$70.86	\$76.37	\$5.50	7.77%
	3	\$72.29	\$78.19	\$5.90	8.17%
	4	\$73.71	\$80.01	\$6.30	8.55%
	5	\$75.13	\$81.83	\$6.70	8.92%
	6	\$76.55	\$83.65	\$7.10	9.28%
	7	\$77.97	\$85.48	\$7.50	9.62%
	8	\$79.40	\$87.30	\$7.90	9.95%
	9	\$80.82	\$89.12	\$8.30	10.27%
	10	\$82.24	\$90.94	\$8.70	10.58%
	11	\$83.66	\$92.76	\$9.10	10.87%
	12	\$85.09	\$94.58	\$9.50	11.16%
	13	\$86.51	\$96.41	\$9.90	11.44%
	14	\$87.93	\$98.23	\$10.30	11.71%
	15	\$89.35	\$100.05	\$10.70	11.97%
	16	\$90.78	\$101.87	\$11.10	12.22%
	17	\$92.20	\$103.69	\$11.49	12.47%
	18	\$93.62	\$105.52	\$11.89	12.70%
	19	\$95.04	\$107.34	\$12.29	12.93%
	20	\$96.47	\$109.16	\$12.69	13.16%
<b>Metered Residential &amp; Commercial</b>					
<b>3 Inch Metered</b>					
	0	\$117.07	\$124.22	\$7.16	6.11%
	1	\$118.49	\$126.05	\$7.56	6.38%
	2	\$119.91	\$127.87	\$7.96	6.63%
	3	\$121.33	\$129.69	\$8.36	6.89%
	4	\$122.76	\$131.51	\$8.75	7.13%
	5	\$124.18	\$133.33	\$9.15	7.37%
	6	\$125.60	\$135.16	\$9.55	7.61%
	7	\$127.02	\$136.98	\$9.95	7.84%
	8	\$128.45	\$138.80	\$10.35	8.06%
	9	\$129.87	\$140.62	\$10.75	8.28%
	10	\$131.29	\$142.44	\$11.15	8.49%
	11	\$132.71	\$144.26	\$11.55	8.70%
	12	\$134.14	\$146.09	\$11.95	8.91%
	13	\$135.56	\$147.91	\$12.35	9.11%
	14	\$136.98	\$149.73	\$12.75	9.31%
	15	\$138.40	\$151.55	\$13.15	9.50%
	16	\$139.83	\$153.37	\$13.55	9.69%
	17	\$141.25	\$155.20	\$13.95	9.87%
	18	\$142.67	\$157.02	\$14.35	10.06%
	19	\$144.09	\$158.84	\$14.75	10.23%
	20	\$145.52	\$160.66	\$15.15	10.41%

CONSUMERS ILLINOIS WATER COMPANY  
Kankakee Water Division  
Rate Case Docket No. 00-

Proposed Test Year Period: Future  
Period Reported: 1997 - 1999

Schedule  
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D. Leppert

Comparison of Prior Forecasts to Actual Data - Prior Three Years (Total Company)

Line	Operating Budget Component (A)	1997 Actual (B)	1997 Budget (C)	1997 Variance (D)	1998 Actual (E)	1998 Budget (F)	1998 Variance (G)	1999 Actual (H)	1999 Budget (I)	1999 Variance (J)
1	Total Operating Revenues	\$21,342,334	\$22,352,000	-\$1,009,666	\$22,859,057	\$22,703,000	\$156,057	\$24,560,258	\$23,780,305	\$779,953
2										
3	Operations & Maintenance Expenses	10,208,620	10,311,000	-102,380	10,661,315	10,697,000	-35,685	11,285,859	10,680,789	605,070
4	Depreciation Expenses	2,924,250	2,975,000	-50,750	3,068,064	2,930,000	138,064	3,280,552	3,281,062	-510
5	Amortization of Utility Plant Acquisition Adjust.	5,410	0	5,410	5,407	0	5,407	5,410	5,409	1
6	Amortization - Transaction Costs	0	0	0	0	0	0	0	0	0
7	Taxes Other Than Income	1,358,273	1,278,000	80,273	1,322,066	1,273,000	49,066	1,387,300	1,499,076	-111,776
8	Income Taxes - Current	783,699	1,592,000	-808,301	1,756,650	1,911,000	-154,350	2,160,650	2,132,380	28,270
9	Deferred Federal Income Taxes	542,845	0	542,845	0	0	0	0	0	0
10	Deferred State Income Taxes	123,504	0	123,504	0	0	0	0	0	0
11	Provision for Deferred Income Taxes - Credit	-202,098	0	-202,098	0	0	0	0	0	0
12	Amortization of I. T. C.	-48,987	0	-48,987	-49,942	0	-49,942	-49,940	-49,932	-8
13	Utility Operating Expenses	\$15,695,516	\$16,156,000	-\$460,484	\$16,763,560	\$16,811,000	-\$47,440	\$18,069,831	\$17,548,784	\$521,047
14										
15	Utility Operating Income	\$5,646,818	\$6,196,000	-\$549,182	\$6,095,497	\$5,892,000	\$203,497	\$6,490,427	\$6,231,521	\$258,906
16										
17	Gains (Losses) from Disposition of Utility Property	\$354,756	\$0	\$354,756	-\$6,674	\$0	-\$6,674	\$129,364	\$0	\$129,364
18	Total Utility Operating Income	\$6,001,574	\$6,196,000	-\$194,426	\$6,088,823	\$5,892,000	\$196,823	\$6,619,791	\$6,231,521	\$388,270
19										
20	<u>Other Income and Deductions:</u>									
21	Interest and Dividend Income	45,256		45,256	79,469		79,469	64,693	78,288	-13,595
22	Allowance for Funds Used During Construction	16,295		16,295	1,219		1,219	55,215	2,484	52,731
23	Non-Utility Income	116,016	38,000	78,016	84,905	100,000	-15,095	408,687	500,735	-92,048
24	Miscellaneous Non-Utility Expenses	-33,380		-33,380	-37,835		-37,835	-106,798	-99,888	-6,910
25	Amortization of Pre-1971 I. T. C.	2,085	0	2,085	0	0	0	0	0	0
26	Total Other Income and Deductions	\$146,272	\$38,000	\$108,272	\$127,758	\$100,000	\$27,758	\$421,797	\$481,619	-\$59,822
27										
28										
29	<u>Debt Expense:</u>									
30	Interest Expense	3,308,058	3,397,000	-88,942	3,206,534	3,130,000	76,534	3,099,936	3,097,656	2,280
31	Amortization of Debt Discount and Expense	89,908		89,908	93,373	0	93,373	91,867	91,860	7
32	Amortization of Premium on Debt	21,922	0	21,922	18,051	22,000	-3,949	12,631	12,624	7
33	Total Debt Expense	\$3,419,888	\$3,397,000	\$22,888	\$3,317,958	\$3,152,000	\$165,958	\$3,204,434	\$3,202,140	\$2,294
34										
35										
36	NET INCOME	\$2,727,958	\$2,837,000	-\$109,042	\$2,898,623	\$2,840,000	\$58,623	\$3,837,154	\$3,511,000	\$326,154

Please see accompanying workpapers

Proposed Test Year Period: Future  
Period Reported: 1997 - 1999

H - 1  
2 of 4  
D. Leppert

[illegible]

Please see accompanying workpapers

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Person Responsible: D. Leppert

[illegible]



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Schedule  
Page  
Person Responsible:

H - 1  
4 of 4  
D. Leppert

[illegible]

CONSUMERS ILLINOIS WATER COMPANY  
Kankakee Water Division  
Rate Case Docket No. 00-

Proposed Test Year Period: Future

Schedule  
Person Responsible:

H - 2  
F. Simpson

### Statement from the Independent Certified Public Accountant

Line

1            The statement from Arthur Andersen is attached.

**ARTHUR ANDERSEN**

**Consumers Illinois Water Company**

**Kankakee, Vermillion, and Woodhaven Water Divisions**

(a wholly owned subsidiary of Consumers Water Company, a wholly owned subsidiary of Philadelphia Suburban Corporation)

**Projected Financial Information**

**As of December 31, 2001 and 2000**

**And for the year ending December 31, 2001**

**Together With Auditors' Report**

ARTHUR ANDERSEN

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To: Board of Directors of Consumer Illinois Water Company

We have examined the accompanying projected statements of utility operating income for the year ending December 31, 2001, the projected statements of rate base at December 31, 2001 and 2000 of the Kankakee, Vermillion and Woodhaven water divisions of **CONSUMERS ILLINOIS WATER COMPANY** and the projected statements of capital structure at December 31, 2001 and 2000 of Consumers Illinois Water Company. Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by management and the preparation and presentation of the projected financial information.

The accompanying projected financial information presents, to the best of management's knowledge and belief, the statements of utility operating income for the year ending December 31, 2001, and the statements of rate base at December 31, 2001 and 2000 of the Kankakee, Vermillion and Woodhaven water divisions of Consumers Illinois Water Company, and the projected statements of capital structure at December 31, 2001 and 2000 of Consumers Illinois Water Company that would result if the water rates in effect during 1999 will not change prior to December 31, 2001 as discussed in footnote 3. The projected financial information and this report were prepared in connection with an application to the Illinois Commerce Commission by the Company for an increase in water rates for the Kankakee, Vermillion and Woodhaven water divisions and should not be used for any other purpose.

In our opinion, the projected financial information referred to above present fairly, in conformity with the guidelines for a presentation of projected information established by the American Institute of Certified Public Accountants and the underlying assumptions provide a reasonable basis for management's projection given the hypothetical assumption that rates in effect during 1999 will not change prior to December 31, 2001 as discussed in footnote 3. However, even if such hypothetical assumption were to occur, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

*Arthur Andersen LLP*

Chicago, Illinois  
April 5, 2000

**Consumers Illinois Water Company**  
**Kankakee, Vermillion, and Woodhaven Water Divisions**  
(a wholly owned subsidiary of Consumers Water Company, a wholly owned subsidiary of Philadelphia Suburban Corporation)

**PROJECTED STATEMENT OF UTILITY OPERATING INCOME**

**For the Year Ending December 31, 2001**

	<u>Kankakee</u>	<u>Vermillion</u>	<u>Woodhaven</u>
<b>OPERATING REVENUE</b>	<u>\$8,482,994</u>	<u>\$8,989,385</u>	<u>\$503,961</u>
<b>OPERATING EXPENSES:</b>			
Operation and maintenance	4,871,773	3,824,653	343,390
Depreciation and amortization	1,212,716	1,436,107	53,923
Taxes on operating income:			
General	549,041	634,006	36,544
State income	55,389	118,891	12
Federal income	250,617	537,607	55
Amortization of investment tax credit	(21,282)	(24,554)	-
<b>Total Operating expenses</b>	<u>6,918,254</u>	<u>6,526,710</u>	<u>433,924</u>
<b>UTILITY OPERATING INCOME</b>	<u>\$1,564,740</u>	<u>\$2,462,675</u>	<u>\$70,037</u>

See accompanying summary of significant projection  
assumptions and accounting policies.

**Consumers Illinois Water Company**  
**Kankakee, Vermillion, and Woodhaven Water Divisions**  
(a wholly owned subsidiary of Consumers Water Company, a wholly owned subsidiary of Philadelphia Suburban Corporation)

**PROJECTED STATEMENTS OF RATE BASE**

**At December 31, 2001 and 2000**

	<u>Kankakee</u>		<u>Vermillion</u>		<u>Woodhaven</u>	
	2001	2000	2001	2000	2001	2000
<b>GROSS UTILITY PLAN IN SERVICE AT ORIGINAL COST</b>	\$48,802,391	\$47,716,824	\$56,884,956	\$55,570,140	\$4,224,584	\$4,077,690
<b>NON-AFUDC GROUP</b>	98,244	98,244	172,834	172,834		
<b>LESS: Reserve for accumulated depreciation and amortization</b>	13,678,643	12,437,784	15,028,325	13,542,850	1,406,853	1,338,212
<b>Net utility plant in service</b>	35,221,992	35,377,284	42,029,465	42,200,124	2,817,731	2,739,478
<b>PLUS:</b>						
Amortization of CIAC	1,571,624	1,442,810	1,098,464	1,027,219	415,698	397,238
Working capital allowance	644,907	588,608	512,417	488,631	41,527	39,837
Deferred charges	311,008	241,015	597,713	680,118	5,434	7,254
Materials and supplies	242,991	239,581	118,289	116,520	17,083	16,850
<b>LESS:</b>						
Contributions in aid of construction	8,550,060	8,550,060	3,186,888	3,186,888	923,014	923,014
FAS 87 pension	141,110	135,835	113,192	108,280	8,119	7,784
Customer Advances	502,926	530,936	748,744	754,596	-	-
Deferred federal income tax	2,288,801	2,196,529	2,578,129	2,474,282	170,527	163,598
Deferred state income tax	572,200	549,133	644,533	618,570	42,632	40,900
<b>JURIDICTIONAL RATE BASE AT ORIGINAL COST</b>	<u>\$25,937,425</u>	<u>\$25,906,805</u>	<u>\$37,084,862</u>	<u>\$37,367,996</u>	<u>\$2,153,181</u>	<u>\$2,065,361</u>

See accompanying summary of significant projection assumptions and accounting policies.